

SIDLEY AUSTIN BROWN & WOOD LLP

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

CHICAGO
DALLAS
LOS ANGELES
NEW YORK
SAN FRANCISCO
SEATTLE

1501 K STREET, N.W.
WASHINGTON, D.C. 20005
TELEPHONE 202 736 8000
FACSIMILE 202 736 8711
www.sidley.com
FOUNDED 1866

BEIJING
HONG KONG
LONDON
SHANGHAI
SINGAPORE
TOKYO

WRITER'S DIRECT NUMBER
(202) 736-8677

WRITER'S E-MAIL ADDRESS
jyoung@sidley.com

September 16, 2003

Ex Parte Letter

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: *Application of SBC Communications Inc. for Authorization to Provide In-Region InterLATA Services in Illinois, Indiana, Ohio and Wisconsin*
WC Docket No. 03-167

Dear Ms. Dortch:

At the request of Commission staff, AT&T Corp. ("AT&T") provides the following information concerning SBC's refusal to provide IP addresses for disaster recovery.

To begin with, SBCs' policy is fundamentally discriminatory. SBC has established a firewall between its network and each CLEC's network, and as a result only certain known IP addresses can traverse the firewall. SBC limits the number of IP addresses that a CLEC can provision in the firewall to three production IP addresses per company per region. SBC doesn't have a firewall for its own internal operations, however, and therefore its ability to utilize new IP addresses is unconstrained.

This discriminatory policy is now having substantial consequences, because SBC is refusing to provide AT&T an IP address to use in its disaster recovery plan in the Ameritech region, on the grounds that AT&T has already used its allotment of three. SBC's refusal is unreasonable, discriminatory, and violates the checklist. SBC's various responses, as set forth in the Brown-Cottrell-Lawson Affidavit (attached to its reply comments), are meritless.¹

¹ AT&T did not raise these issues in the state proceedings because SBC's refusal to provide IP addresses for a disaster recovery plan became apparent only after the close of the records in those proceedings.

Marlene H. Dortch
September 16, 2003
Page 2

SBC's principal answer is that AT&T should simply drop one of the existing three addresses. *See* Brown-Cottrell-Lawson ¶¶ 109-10. Putting aside the fact that this response simply confirms that the policy is discriminatory, eliminating one of the existing addresses is not feasible. AT&T today uses two gateways, one for its consumer offerings and one for its business offerings. The consumer gateway, known as Local Ordering System or LOS, uses a single IP address to send and receive transactions. The business gateway, known as ECIP III, uses two IP addresses, one for sending orders to SBC and one for receiving responses from SBC. Thus, today AT&T is using 3 production IP addresses in each SBC region.

The AT&T Consumer platform (LOS) is located in the Midwest. It uses a single IP address to send and receive with SBC. AT&T Consumer Services has a geographically diverse location with physically separate equipment located in another area of the country. The disaster recovery site and server is located on a separate sub-network within AT&T's IP address range. Given the existing IP network architecture that AT&T has in place today, the disaster recovery server must be addressed with an IP address that is within the IP address sub-network address range of the disaster recovery site and server.

SBC argues essentially that AT&T could use network address translation (NAT), so that it could have a single SBC IP address to work with regardless of how SBC constructs its own IP network or where SBC's servers are located. Brown-Cottrell-Lawson ¶¶ 109, 112-13. To be sure, AT&T invested considerable time and effort working with SBC to implement NAT in support of its business gateway (ECIP III), and the implementation of that effort resulted in a dramatic reduction in the number of IP addresses in use by AT&T for ordering applications. Since NAT is, as the name implies, a translation of an IP address, the NAT process introduces latency in the routing of IP traffic. Due to observed performance issues with NAT, along with the existing architecture of the ECIP III platform, which encompasses two IP addresses on different subnetworks, it is not feasible for AT&T to further combine the two IP addresses (1 send and 1 receive) into a single address.² Accordingly, AT&T cannot eliminate any of its three existing IP addresses; it must have a fourth in order to implement its disaster recovery plan for the Ameritech region.³

² Because of these issues, SBC should not be permitted to rely on CLECs' agreement as part of the POR negotiations to limits on the number of IP addresses. As explained above, AT&T has worked diligently to reduce the number of IP addresses that it requires. Moreover, at that time, AT&T could not have foreseen that the POR agreement would prevent it from being able to implement a disaster recovery strategy (particularly since the same agreement does not prevent it from being able to implement such a strategy in the other SBC territories).

³ AT&T previously believed that, absent limitations on the number of operating company numbers (OCNs) per ACNA (*i.e.*, per carrier; ACNA stands for access carrier name abbreviation), AT&T would be able effectively to obtain another IP address for its disaster

Marlene H. Dortch
September 16, 2003
Page 3

SBC also claims that it need not provide an additional address because AT&T has been able to obtain an address for its disaster recovery plan in the West and Southwest regions. *See* Brown-Cottrell-Lawson ¶¶ 109, 111. AT&T's network architecture in those regions, however, is the same as that described above for the Ameritech region, and yet SBC has agreed to implement the additional IP address in the West and Southwest regions. According to AT&T's records, the same situation should prevail in all regions, and AT&T has recently requested clarification from SBC as to why it is treating AT&T differently in the Ameritech region.

In short, SBC's refusal to provide an additional IP address to permit AT&T to establish a disaster recovery plan is more than simply anticompetitive; it is unjust and unreasonable. SBC's cavalier dismissal of AT&T's need for a disaster recovery plan – and its willingness to adhere to rigid and wholly artificial three-per-region limit that is far lower than other RBOC's even if it means that AT&T has no disaster recovery plan – is disappointing (especially in light of September 11) but of a piece with other positions SBC has taken in these proceedings (*e.g.*, access to E911 databases). The Commission should make clear that unreasonable tactics such as these will not be tolerated.

Very truly yours,

/s/ James P. Young

James P. Young

Encl.

recovery plan. AT&T has since learned that even if SBC did support multiple OCNs per ACNA, AT&T would still be denied the IP address that it needs.

Marlene H. Dortch
September 16, 2003
Page 4

VERIFICATION PAGE

I hereby declare under penalty of perjury that the foregoing is true and accurate to
the best of my knowledge and belief.

/s/ Walter W. Willard
Walter W. Willard

September 16, 2003